

NSC BRIEFING

12 July 1955

**POWER BALANCE IN ARGENTINA STILL UNCERTAIN**

- I. Last month's brief but violent revolt (led by navy--16 June) has altered power structure of Argentine Government. After four weeks, nation's political crisis still unresolved.
  - A. Army (traditional arbiter of Argentine politics before Peron developed organized labor as his major base of power) has reassumed dominant voice in Government. Durability of this, however, remains to be seen.
  - B. In past crises (example: '49-'51 maneuvering, and most notably in Oct '45 "jail-break") Peron has successfully called out labor to reinforce position.
    1. On 8 July, General Confederation of Labor (CGT) issued notice it would call nation-wide strike if further "revolutionary" effort were attempted (i.e., Peron's resignation).
    2. Peron's popular support at present is indicated by Apr '54 congressional elections (his party won almost 68% of total vote).
- II. One indication of extent permanence of Government's altered power structure will be composition of new cabinet (all former cabinet members resigned 23 June).
  - A. Only four replacements named to date are first and foremost Peronista Party men, rather than labor leaders.

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B. New appointments include replacements for the two most controversial former cabinet members, Interior Minister Borlenghi and Minister of Education Mendez San Martin, who reportedly instigated church-state conflict (a catalyst but not sole reason behind the revolt).

1. Other controversial figures dumped in past weeks include Press Propaganda Secretary Apold and CGT head Vujetich.

C. Remainder of cabinet still unannounced.

III. At present, the Argentine military probably controls the Government, although great pains have been taken to conceal extent of this.

A. Strongest single army figure is reported to be Brig. General Jose Embrioni, Sub-Secretary of the Army. He is highly respected in Army, Peronista, and opposition circles.

B. Minister of Army Lucero, who earlier appeared to be on top, is said to be liaison between Army and Peron.

C. Army apparently believes that Peron should continue as Chief of State, under strong military guidance. Army thinks this may be most peaceful means of obtaining military's objectives.

D. [REDACTED] although Army rescued Peron, he was forced to agree to various military demands in exchange for retaining presidency.

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- V. Opposition's cynical reaction to Peron's unusually conciliatory 5 July appeal for "coexistence," together with continuing opposition exploitation of church-state conflict, has added to political unrest.
- A. New high in tension generated by 9 July demonstration, when 12,000 ostensible "Catholics" were allowed to march for two and one-half hours undeterred by police, shouting slogans which included several aimed against Peron.
- B. Demonstration by 3,000, following day, broken up by police and firemen with injuries to both sides. Even then, police reportedly restrained.

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- C. These demonstrations not condoned by Church authorities. Argentine primate (Cardinal Copello) condemned attitude of those "who call themselves Catholics and break the peace."

VI. Meanwhile, status of Navy remains mystery. So far as known, naval forces at Puerto Belgrano Naval Base (1,000 mi. south of B.A.) still hold-outs.

- A. Significant that major Army demands on Peron reportedly include agreement no punishment for Navy dissidents.
- B. Also significant that Army has occupied all other naval establishments, but not approached Puerto Belgrano.
- C. Widespread belief that Navy dissidents hold evidence on revolt plans which would incriminate other high military if known.
  - 1. Such "evidence" could be Navy's hold-card in apparent continuing negotiations.
  - 2. Navy reportedly still demanding Peron's resignation.